May 25th, 2021

Michael S. Regan, Administrator Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

Dear Administrator Michael Regan:

Formosa Plastics. а Taiwanese company, has plans build "https://www.propublica.org/article/what-could-happen-if-a-9.4-billion-chemical-plant-comes-tocancer-alley" \h ] in the world in the heart of the Black community of St. James Parish (county), Louisiana. This facility is the largest proposed new source of greenhouse gases in the United States and would emit 800 tons per year of toxic air pollutants within two miles of multiple historic African American communities. Stopping this project thus presents an opportunity for EPA action on two of President Biden's priorities: climate change and environmental justice. Since one of the permits is currently pending before the Army Corps of Engineers, a federal agency advised by the EPA, this memo is a request to stop the project.

Formosa Plastics would be built along the Mississippi River atop a former plantation where the dynamics that facilitated slavery are still at work in St. James Parish. The facility is slated to be built less than two miles from a Black church and public elementary school, in a census tract (405) that is 91% African American.<sup>2</sup> The community directly across the river from Formosa Plastics' proposed site (Census Tract 404) is 61% African American and would be severely impacted as well.

The only argument in favor of building this plant is the jobs it would provide. But we believe, as you and President Biden do, that there are better jobs available than a toxic, climate destroying juggernaut. Like the President, when we think climate change, we think jobs. We want to pursue those kinds of jobs, not Formosa Plastics, in St. James Parish.

# Approval process and local opposition

The majority white St. James Parish Council unanimously voted to give Formosa Plastics its land use [ HYPERLINK "https://www.theadvocate.com/baton\_rouge/news/article\_48e31178-1f72-11e9-967e-9be0dd8a3a26.html" \h ] in January of 2019. This approval was given despite staunch [ HYPERLINK "https://twitter.com/annerolfes/status/1075574166194216960" \h ] from residents of the surrounding communities. This opposition is led by Sharon Lavigne, who started an organization called RISE St. James. Ms. Lavigne and her neighbors are pictured on page two.

<sup>&</sup>lt;sup>1</sup> LDEQ Air Permit for FG LA, EMDS Document #11998452, pages 4-5. Jan 2021.

<sup>&</sup>lt;sup>2</sup> 2014-2018 American Community Survey data, accessed via EJScreen on Mar 11, 2021.

The St. James residents have engaged state and national groups to support them in protecting their community. State groups include the Coalition Against Death Alley, Justice and Beyond, Healthy Gulf, the Louisiana Bucket Brigade, and the Tulane Environmental Law Clinic. National groups include additional lawyers who have sued to stop the project. These organizations include Earthjustice, the Center for Biological Diversity, and the Center for Constitutional Rights.

Sharon Lavigne and her family are [ HYPERLINK "https://www.ncronline.org/news/earthbeat/sharon-

lavignes-fighting-faith-bayou" \h ], and local Catholic priest Vincent Dufresne has supported these communities in protecting their homes and families from Formosa Plastics (see Appendix). Bishop Michael Duca of Baton Rouge led the community in an All Saints Day [ HYPERLINK



"https://www.facebook.com/311706696080918/videos/350877552677226" \h ] on Formosa's site where burial grounds have been confirmed. Sixteen local ministers have also urged the St. James Parish Council to address the deep injustices and revoke Formosa's land use approval.

## **Project Status**

Formosa Plastics, operated by its Louisiana affiliate FG LA, is three billion dollars [ HYPERLINK "https://www.theadvocate.com/baton\_rouge/news/business/article\_2b6e6294-3ee9-11eb-9ade-f77bb74ae6f1.html" \h ], behind on its construction schedule, and has yet to make a final investment decision. <sup>3</sup> Project permits have been temporarily revoked and the project is halted. This stoppage, however, is not permanent. It is why we seek your help.

# **Status of Federal Permits**

**September 2019:** Federal Clean Water Act and Clean Harbors and Waters permits were issued by the Army Corps of Engineers.

**January 2020:** Concerned residents and their supporters [ HYPERLINK "https://biologicaldiversity.org/w/news/press-releases/lawsuit-challenges-trump-administrations-fast-tracking-of-louisiana-plastics-project-2020-01-15/" \h ] in federal district court in D.C.

**November 2020**: Days before a brief was due in court, the Army Corps [ HYPERLINK "https://abcnews.go.com/US/wireStory/corps-suspends-94b-plastics-complex-permit-74237404" \h ]

[PAGE]/9

<sup>&</sup>lt;sup>3</sup> Taiwan Ratings, "Ratings on Formosa Plastics Group Core Units Lowered To 'twAA-' On Growing Operating Headwinds; Outlook Stable," October 16, 2020

the permits on grounds that the site selection did not consider alternative locations for the project. The permit remains under consideration at the Army Corps of Engineers.

**January 29**<sup>th</sup> **2021 – March 5**<sup>th</sup> **2021:** Project opponents submitted [ HYPERLINK "https://www.eenews.net/greenwire/stories/1063726987?t=https%3A%2F%2Fwww.eenews.net%2Fstories%2F1063726987" \h ] to the Army Corps between January 29<sup>th</sup> 2021 and March 5<sup>th</sup> 2021 asking that the Corps permanently rescind the permits.

#### **Status of State Permits:**

**January 2020:** Louisiana Department of Environmental Quality (LDEQ) granted Clean Air Act Permits to Formosa Plastics.

**February 2020:** Concerned residents and supporters [ HYPERLINK "https://earthjustice.org/news/press/2020/appeal-challenges-louisianas-air-permits-for-formosas-massive-petrochemical-complex-in-cancer-alley" \h ] the permits in state court.

**November 2020:** State Judge Trudy White [ HYPERLINK "https://www.theadvocate.com/baton\_rouge/news/article\_8b2e3284-29d8-11eb-9442-6f8b45c7fcb1.html" \h ] the permit to the state agency citing LDEQ's weak and inadequate environmental justice analysis.

## **Emissions**

In 2016, IRIS identified ethylene oxide as carcinogenic to humans, but EPA regulations have not been updated to protect communities from the proven cancer risk increase.<sup>4</sup> On May 6th, 2021, the EPA Office of Inspector General issued a report calling for the EPA to conduct new residual risk and technology reviews for ethylene oxide and chloroprene. Ethylene oxide is just one of the carcinogenic chemicals that Formosa Plastics would emit every day in St. James Parish, and it is the EPA's responsibility under the Clean Air Act to regulate these toxic chemical emissions and address health risk in overburdened communities.

The following information about Formosa Plastics is taken from the [ HYPERLINK "https://earthjustice.org/news/press/2020/appeal-challenges-louisianas-air-permits-for-formosas-massive-petrochemical-complex-in-cancer-alley" \h ] prepared and submitted by attorneys with Earthjustice on behalf of St. James residents and partner organizations.

#### FORMOSA PLASTICS WOULD DOUBLE THE TOXIC AIR POLLUTION IN ST. JAMES PARISH,

"127. The Permits allow Formosa Plastics to emit over 800 tons (or 1,600,000 pounds) per year of toxic air pollutants, which, upon information and belief, would double the amount of toxic emissions currently released parish-wide on a yearly basis from existing industrial facilities." <sup>5</sup>

<sup>&</sup>lt;sup>4</sup> US EPA. Evaluation of the Inhalation Carcinogenicity of Ethylene Oxide. [ HYPERLINK

<sup>&</sup>quot;https://cfpub.epa.gov/ncea/iris2/chemicalLanding.cfm?substance\_nmbr=1025" \h ]

<sup>&</sup>lt;sup>5</sup> RISE St. James vs. Louisiana Department of Environmental Quality, 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge, State of Louisiana, February 2020, p. 27, print.

# FORMOSA PLASTICS WOULD BE AMONG THE LARGEST SOURCES OF ETHYLENE OXIDE IN THE UNITED STATES

"139. According to the EPA, ethylene oxide is linked to breast cancer, non-Hodgkin lymphoma, and lymphocytic leukemia. In addition to significant cancer risks, the Agency for Toxic Substances and Disease Registry ("ATSDR") warns that acute respiratory exposure to ethylene oxide may cause narrowing of the bronchi and partial lung collapse. Inhalation of ethylene oxide can also produce central nervous system depression, and in extreme cases, respiratory distress and coma. The ATSDR also notes that children may be more vulnerable to ethylene oxide exposure, especially chronic exposure. EPA and the ATSDR have also warned that inhalation exposure to ethylene oxide can lead to spontaneous abortions.

140. Based on 2017 EPA's Toxic Release Inventory ("TRI"), only two other sources in the U.S., and one source in the state, reported actual ethylene oxide emissions that exceed the 7.70 tons per year or 15,400 pounds per year limit that the Permits allow Formosa to emit."

This increase is planned in Louisiana despite new guidance issued in 2016 by EPA scientists who updated the risk value for ethylene oxide exposure. Formosa Plastics and the Louisiana Department of Environmental Quality did not take this new information into account. Other states did take more protective measures, as noted in the appeal.

"146. Some state agencies have reacted to this information with deep concern and concrete action. For instance, ethylene oxide's alarming risk potential has led to regulatory efforts and the recent closure of plants that emitted the chemical in Georgia and Illinois."<sup>8</sup>

## **Greenhouse Gases**

In its initial permit application, Formosa Plastic did not even mention the word climate change. Yet Formosa's proposed plastics complex would emit upwards of 13 million tons per year of greenhouse gases, the equivalent of three coal-fired power plants.<sup>9</sup>

## **Massive Burden of Industrial Pollution**

The communities near Formosa Plastics' proposed site are already vastly overburdened with industrial pollution. A November 2019 [HYPERLINK "https://www.propublica.org/article/what-could-happen-if-a-9.4-billion-chemical-plant-comes-to-cancer-alley" \h ], conducted in partnership with a former EPA consultant, estimated that the air around this site was more toxic than 99.6% of industrialized areas in the United States due to the emission of massive amounts of cancer-causing pollutants.<sup>10</sup> This disparity in pollution burden is further evidenced by the Environmental

<sup>&</sup>lt;sup>6</sup> Ibid., pp 29 - 30

<sup>&</sup>lt;sup>7</sup> Ibid., p. 30

<sup>8</sup> Ibid., 30 - 31

<sup>&</sup>lt;sup>9</sup> Ibid., p. 21

<sup>&</sup>lt;sup>10</sup> Younes, Lylla. What Could Happen if a \$9.4 Billion Chemical Plant Comes to "Cancer Alley". *ProPublica*. Nov 18, 2019. [ HYPERLINK "https://www.propublica.org/article/what-could-happen-if-a-9.4-billion-chemical-plant-comes-to-cancer-alley" \h ]

Protection Agency's most recent (2014) National Air Toxics Assessment, which indicates that the communities around Formosa Plastics' proposed site (i.e. Census Tracts 404 and 405) have a higher cancer risk and respiratory hazard from air toxics than at least 95% and 80% of Americans, respectively.<sup>11</sup>

Importantly, the above EPA values do not account for the onslaught of industrial development that has occurred in these communities since 2014, including two new methanol plants that would use petrochemical feedstocks and are permitted to emit a combined total of more than 200 tons per year of toxic air pollutants. The ProPublica analysis estimated that Formosa Plastics would drastically increase the existing pollution burden, with nearby African American communities facing double or triple the toxic levels of cancer-causing pollutants. Despite the glaring evidence of racial injustice, the Louisiana Department of Environmental Quality issued Formosa Plastics' air permit two months after the ProPublica analysis was published.

The LDEQ has permitted Formosa plastics to release over 800 tons per year of toxic air pollutants, as well as thousands of tons per year of other harmful pollutants that contribute to smog, ozone, and noxious odors. <sup>14</sup> Collectively, these pollutants are associated with a long list of health problems, including lung cancer, leukemia, asthma, chronic obstructive pulmonary disease, heart disease, and reproductive harm. While many of these diseases develop gradually, the ongoing pandemic has illustrated that pollution exposure can increase the likelihood of sudden death from a respiratory virus; multiple studies have linked long-term pollution exposure in the United States with an increased risk of death from COVID-19. <sup>15</sup>

Perhaps most alarming, the LDEQ did not consider emissions from the proposed Formosa Plastics plant itself when deciding whether permitting this plant would result in environmental injustice. Rather, the LDEQ relied on outdated EPA data (i.e. the 2011 NATA) to support its claim of no disproportionate impact.

"219. LDEQ violated article IX, §1 of the Louisiana Constitution because it failed to demonstrate on the record that it considered the real and potential cumulative adverse impacts of Formosa Plastics' toxic emissions in combination with existing permitted emissions for the area." <sup>16</sup>

## Racism in siting the plant

<sup>&</sup>lt;sup>11</sup> 2014 NATA Cancer Risk and Respiratory Hazard values accessed via EJScreen for census tracts 404 and 405 on Mar 11 2021

<sup>&</sup>lt;sup>12</sup> South LA Methanol Permit, EDMS Doc #11552176 and YCI Methanol Permit, EDMS Doc # 12475521.

<sup>&</sup>lt;sup>13</sup> Younes, Lylla. What Could Happen if a \$9.4 Billion Chemical Plant Comes to "Cancer Alley". *ProPublica*. Nov 18, 2019. [ HYPERLINK "https://www.propublica.org/article/what-could-happen-if-a-9.4-billion-chemical-plant-comes-to-cancer-alley" \h ]

<sup>&</sup>lt;sup>14</sup> LDEQ Air Permit for FG LA. EDMS Doc # 11998452. Issued Jan 2021. Pages 4-5.

<sup>&</sup>lt;sup>15</sup> Wu, X., Nethery, R. C., Sabath, M. B., Braun, D. and Dominici, F., 2020. Air pollution and COVID-19 mortality in the United States: Strengths and limitations of an ecological regression analysis. Science advances, 6(45), p. eabd4049. *See also* Petroni et al. Hazardous air pollutant exposure as a contributing factor to COVID-19 mortality in the United States. Environ. Res. Lett. 15 (2020) 0940a9.

<sup>&</sup>lt;sup>16</sup> RISE St. James vs. Louisiana Department of Environmental Quality, 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge, State of Louisiana, February 2020, p. 27, print. p. 40

While St. James Parish is 50% African American and 48% white,<sup>17</sup> it is segregated by districts, which approximately correspond to census tract boundaries. Formosa's proposed site is in Parish District 5 and Census Tract 405, which is 91% African American. The Parish President (white) and Parish Council (majority white) have designated the African American communities in this parish as zones for petrochemical plants via the parish land use plan (see [ HYPERLINK "https://labucketbrigade.org/wp-content/uploads/2020/08/A-Plan-Without-People-6.2019\_0.pdf" \h ] about the land use plan). The plan centralizes all industry in the two districts with the highest percentages of African American residents, District 4 and 5 (census tracts 404 and 405, respectively). This concentration of pollution in the Black districts is the textbook definition of environmental racism and environmental injustice.

Federal intervention is needed to overcome the region's deep history of racial oppression, as expressed in the current practices of industry siting. The stereotype of southern government officials holds true in this case: white state and parish officials have enthusiastically welcomed Formosa Plastics into District 5 despite the fact that those who would live nearest – the Black residents of the district – are vehemently opposed. Governor John Bel Edwards [ HYPERLINK "https://www.nola.com/news/business/article\_02bb1394-ba5b-56b8-8994-6ef8e42c3518.html" \h ] the project in 2018 before it even had local approval. Parish President Pete Dufresne lauded Formosa Plastics in the newspaper for expanding a highway which would facilitate traffic to the 2,400 acre site; He also attempted to dissuade the New Orleans City Council from passing a resolution condemning Formosa Plastics (the resolution passed unanimously). 20

Federal support is needed to break the grip of local and state officials who continue the unjust pattern of ramming polluting industry into Black neighborhoods.

#### **Burial Sites**

During Formosa Plastics' preparation of the site, archeologists found remains of people, likely former slaves, [ HYPERLINK "https://www.popsci.com/story/science/louisiana-formosa-chemical-construction-slave-cemetery/" \h ] on the land. The company, however, [ HYPERLINK "https://ccrjustice.org/home/press-center/press-releases/graves-enslaved-people-found-proposed-formosa-plastics-site" \h ] this information during the local land use approval process. Local residents discovered the presence of graves on the proposed site after the Center for Constitutional Rights assisted with reviewing the company's submissions to the permitting agencies, which they obtained from a public records request submitted to the Louisiana Division of Archeology.

<sup>&</sup>lt;sup>17</sup> 2014-2018 American Community Survey data, accessed via EJScreen ([ HYPERLINK

<sup>&</sup>quot;http://ejscreen.epa.gov/mapper/" \h ] ) on Mar 11, 2021.

<sup>&</sup>lt;sup>18</sup> Karlin, Sam, "This is a big one: Formosa picks St. James Parish for a \$9.4 billion complex," April 23, 2018, https://www.nola.com/news/business/article\_02bb1394-ba5b-56b8-8994-6ef8e42c3518.html

<sup>&</sup>lt;sup>19</sup> News Examiner Enterprise, "FG Completes Highway 3127 Improvements," March 4<sup>th</sup>, 2020, p. 4

<sup>&</sup>lt;sup>20</sup> Adelson, Jeff, "New Orleans pans planned Formosa plant in St. James Parish," April 8, 2021, https://www.nola.com/news/politics/article\_09f87c9c-98aa-11eb-a45e-975784eca78a.html

After the discovery of the burial sites, Formosa Plastics refused access to African American wished residents who to honor their ancestors with a **HYPERLINK** "https://www.facebook.com/watch/?v=263897931725386" \h ]. In the midst of the nationwide Black Lives Matter protests in the summer of 2020, St. James residents had to take Formosa to court access to the burial grounds. The judge ruled "https://www.courthousenews.com/judge-allows-juneteenth-gathering-at-former-slave-cemetery/" \h ] of the residents.

## **Financial Analysis**

The following information is an overview of a report about Formosa Plastics written by the [ HYPERLINK "https://ieefa.org/" \h].

"The St. James Parish Formosa petrochemical complex faces a series of business, market, financial, legal and regulatory risks that make the project unviable.

The financial strength of the St. James Parish petrochemical complex is that the U.S. has a vast supply of cheap natural gas (ethylene), the feedstock ingredient for plastics and petrochemicals. Since the plan was developed circa 2015 the financial outlook has deteriorated. Many petrochemical companies have decided to build crackers and this oversupplied the market. The price of plastics fell by about 40% since then. Very low prices reduced profit margins.

Plans to export new products to China have weakened as China has also built a massive number of new crackers in order to decrease imports. Since 2016 market analysts have been warning against new cracker production. This is the financial reason why Formosa is stalled. Recently SP Taiwan Rating Services downgraded the bonds for the company in part because of the weak financials of the plant. The cost of construction has gone up by 24%. Looking into the future the plastics market is being hit by competition from recycling.

Formosa now also confronts regulatory hurdles at the federal level, state and local levels. At the state level a judge has raised the issue of environmental racism. These regulatory matters may lead to the project's cancellation. Whatever the outcome, if the project moves forward it will require more investment to curtail water and air pollution.

If one of these problems existed it could be managed, but taken together the cumulative risk factor makes this a poor investment."<sup>21</sup>

## **Track Record**

Formosa has a terrible track record around the world.

#### **Texas**

\_

<sup>&</sup>lt;sup>21</sup> Sanzillo, Tom, Institute of Energy and Economic Financial Analysis Formosa Plastics Report, forthcoming 2021

In 2013, Formosa was sued by community organizations for violating the Clean Water Act by illegally discharging plastic pellets from its ethane cracker in Point Comfort, Texas.<sup>22</sup> In June 2019, Formosa was called "a [ HYPERLINK "https://www.victoriaadvocate.com/counties/calhoun/federal-judge-describes-formosa-as-serial-offender-in-ruling/article\_8c6187b0-9964-11e9-a9d9-930b3ae798e8.html" \h ]" by a Texas judge; it settled that suit by agreeing to pay \$50 million to clean up its pollution there and to comply with "zero discharge" of all plastics in the future.<sup>23</sup> This was the largest settlement in the history of the Clean Water act.

Residents of Point Comfort continued to find plastic pellets in waterways even after the settlement and the zero-discharge directive. <sup>24</sup>

The air permit appeal noted additional sites of concern.

## Baton Rouge, Louisiana

"83. In the U.S., at least 98 state or federal civil enforcement cases have been filed against Formosa Plastics, 53 of which were for Clean Air Act violations.

84. In Louisiana, Formosa Plastics has consistently failed to remedy documented violations at its Baton Rouge facility, where the facility has registered "high priority violations" of the Clean Air Act *every single month* since August 2009. Of these high priority violations, 18 include excessive emissions of vinyl chloride, a known human carcinogen."<sup>25</sup>

#### Vietnam

"88. In 2016, a Formosa Plastics subsidiary caused a chemical spill in Vietnam, referred to as Vietnam's worst environmental disaster. The spill caused mass [ HYPERLINK "https://www.theguardian.com/global-development/2017/aug/14/vietnamese-fishermen-jobless-fish-poisoning-battle-justice" \h ] of fish in waters off central Vietnam's coast. Formosa Plastics paid a \$500 million fine, ordered by the Vietnamese government, in compensation for releasing chemicals like cyanide into the water. The spill affected more than 40,000 workers who rely on fishing and tourism."<sup>26</sup>

## Conclusion

<sup>22</sup> Hermes, Jennifer, "Formosa Plastics Faces \$57M Lawsuit for Leaking Plastic Pellets into Bays," Environmental Leader, Aug 2017, bit.ly/2QAV3gx

[PAGE]/9

<sup>&</sup>lt;sup>23</sup> Texas Tribune, "Plastic company set to pay \$50 million settlement in water pollution suit brought on by Texas residents" Oct. 15, 2019, texastribune.org/2019/10/15/formosa-plastics-pay-50-million-texas-clean-water-act-lawsuit/

<sup>&</sup>lt;sup>24</sup> Dermansky, Julie, "Activists Find Evidence of Formosa Plant in Texas Still Releasing Plastic Pollution Despite \$50 Million Settlement," DeSmog Blog, January 18, 2020 https://www.desmogblog.com/2020/01/18/diane-wilson-formosa-point-comfort-texas-plastic-pollution-settlement

<sup>&</sup>lt;sup>25</sup> RISE St. James vs. Louisiana Department of Environmental Quality, 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge, State of Louisiana, February 2020, print., pp. 17 - 18
<sup>26</sup> Ibid., p. 18

Formosa Plastics is a life and death issue for the Black residents of St. James Parish. The good news is that this project presents an opportunity for the Environmental Protection Agency to take decisive action on climate change and promote President Biden's environmental justice agenda. The project's pending status before the Army Corps of Engineers puts it squarely in the purview of the federal government: the Corps' failure to complete an environmental impact statement must be reviewed and the project shut down. Our point person, should you need one, is Anne Rolfes, and her contact information is below.

We thank you for your time and your interest in this situation. We understand that you are charged with enormous responsibility for our nation, and we keep you in our prayers.

Sincerely,

Sharon Lavigne, President, RISE St. James

Sharon Lavigne

are C. Rep

Anne Rolfes, Director, Louisiana Bucket Brigade

[ HYPERLINK "mailto:anne@labucketbrigade.org" \h ]

(504) 452-4909

#### CC:

Cecelia Martinez, Senior Director for Environmental Justice at the White House CEQ

Matthew Tejada, Director of the Office of Environmental Justice at the EPA

David Gray, Acting Regional Administrator for EPA Region 6

Jonna Polk, Director of the Office of Communities, Tribes, Environmental Assessment at the EPA Region 6

Rosemary Enobakhare, Associate Administrator for Public Engagement and Environmental Education at the EPA

# **Appendix**

A: News headlines

B: Catholic Reporter article

[PAGE]/9

C: Map of industry in African American Districts

**D:** ProPublica article

E: Rolling Stone article